

IN THE UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF
COLUMBIA

JURY
ACTION

CASE NO: 88-0095 PRATT, J.

UNITED STATES COUNCIL FOR
WORLD FREEDOM, an
unincorporated non profit
organization,

JAN 15 1988

Plaintiff,

COMPLAINT FOR DECLARATORY
RELIEF (EXEMPT ORGANIZATION)

vs.

UNITED STATES OF AMERICA,

Defendant.

Plaintiff, United States Council for World Freedom sues
Defendant, United States of America, and states as follows:

1. This action arises under the Internal Revenue Code of the United States and is a claim for a declaratory judgment pursuant to Section 7428 of the Internal Revenue Code of 1986, relating to the status of an organization under Section 501(c)(3) of the Internal Revenue Code of 1986. This Court has federal question jurisdiction. Venue lies here pursuant to Section 7428 of the Internal Revenue Code.

2. Plaintiff's principal office is located at Suite 145, 2621 East Camelback Road, Phoenix, Arizona.

3. On or about February 1, 1982, Plaintiff filed with the District Director, Los Angeles District, of the Internal

Revenue Service an Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code of 1954.

4. On October 14, 1982, the Internal Revenue Service determined that Plaintiff is an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

5. Plaintiff is an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, and its qualification under Section 501(c)(3) of the Internal Revenue Code of 1986 is at issue.

6. Plaintiff has exhausted its administrative remedies with the Internal Revenue Service.

7. On November 25, 1987, the District Director, Dallas District, of the Internal Revenue Service issued a final adverse determination with respect to the revocation of Plaintiff's exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, effective as of January 1, 1985. A copy of such adverse determination is attached hereto as Exhibit "A".

8. The adverse determination by the District Director, Dallas District, of the Internal Revenue Service is erroneous for the following reasons among others:

A. The District Director erroneously determined that the class of persons benefitted by Plaintiff is not comprised solely of the injured and distressed.

B. The District Director erroneously determined that the aid provided by Plaintiff to the injured and distressed in Central America does not lessen the burden of the U.S. Government.

C. The District Director erroneously determined that the supplies and equipment provided by Plaintiff to the injured and distressed in Central America were not actually used for charitable purposes.

9. In support of this action, Plaintiff relies upon the following facts:

A. Plaintiff provided humanitarian aid, and only humanitarian aid, to the injured and distressed. The recipients of humanitarian aid were selected by Plaintiff based on need. Plaintiff has supplied food, clothing, medical supplies and transportation to such injured and distressed people.

B. The providing of humanitarian aid by Plaintiff to people challenging Communist oppression in Afghanistan, Africa and Central America is consistent with the

philosophy and actions by the United States Government and accordingly lessens the burden of providing such aid by the United States Government.

C. All humanitarian aid provided to the injured and distressed in Central American were used solely for charitable purposes.

WHEREFORE, Plaintiff, United States Council For World Freedom, respectfully requests a declaratory judgment that Plaintiff is an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 and the Internal Revenue Code of 1986 during calendar years 1985, 1986 and 1987 and demands trial by jury.

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